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SUBJECT: BOTSWANA: DIAMOND MINES REOPEN, FLOODS IN NORTHWEST

Diamond Mines Re-Open

¶1. On April 15, Debswana (the mining company that is a joint venture between DeBeers and the Government of Botswana) re-opened its three main diamond mines at Jwaneng, Letlhakane and Orapa. Debswana's mines are normally closed for 4-6 weeks over the Christmas holidays, however this year the holiday shut down was greatly extended due to the global recession. When the mines were originally expected to re-open in late January, Debswana announced that due to slack demand for diamonds on the world market, its Botswana mines would remain closed until after Easter. Debswana's spokesperson, Esther Kanaimba, said diamonds were not selling as well as had been expected on the international market, especially in Debswana's largest market the United States. Thus, the mines were closed for an additional two months to cut the company's operational costs during a time of diminished demand. She reported that Debswana's two smaller diamond mines, Damtsha and Orapa No. 2, are expected to remain closed for the rest of 2009. Some employees from the closed mines have been redeployed to the open mines.

¶2. During the suspension of operations, Debswana carried out maintenance work on its major assets to prepare for a return to full production when the markets rebound. Debswana continued selling small quantities of diamonds during the suspension of operations to meet the demands of its trading wing, the Diamond Trading Company (DTC). Debswana says it realized substantial savings from the two shutdowns, in December/January and February/March/April which mitigated the company's bottom line.

Northwest Botswana Hard Hit By Floods

¶3. Recent heavy rains in Angola have caused severe flooding in the north and northwestern parts of Botswana, including the Chobe District and the Okavango District, home of the world famous delta and tourism destination. One village in the Chobe district, Satau, has been completely isolated by the rising flood waters. Fifteen families in the village were relocated to safer, higher ground. However, one resident drowned when a canoe he was using to ferry his family to safety capsized. The Department of National Disaster Management has assisted residents with relief aid in the form of tents, food rations and water purifiers.

¶4. In the Okavango district, 115 households (608 people) have been displaced in several villages. Food rations, tents, portable toilets and mosquito nets have been supplied to the displaced residents. An official of the National Disaster Management said relief efforts are going on well.

¶5. Some safari lodges in these districts have been forced to relocate tourists. Thus far, the Consular Section in Gaborone has received no calls for ACS services from American tourists in the affected areas. (Typically, Botswana's safari lodges have sufficient contingency plans and equipment in place to handle any needed evacuations, whether medical or weather related.) However,

the Consular Section is also monitoring the flooding in case the situation changes and any assistance to American tourists or residents is required.

Nolan